



OFFICE OF  
INSURANCE COMMISSIONER

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In the Matter of )

**CARRIER CORPORATION,** )

A Service Contract Provider. )

No. D07-300

**CONSENT ORDER  
IMPOSING A FINE**

**COMES NOW** the Insurance Commissioner of the State of Washington, pursuant to the authority provided in RCW 48.01.020, RCW 48.02.080, and RCW 48.05.185, and having reviewed the official records and files of the Office of the Insurance Commissioner, makes the following Findings of Fact and Conclusions of Law:

**FINDINGS OF FACT:**

1. In September of 2006, the Washington State Office of the Insurance Commissioner ("OIC") received an inquiry by an outside party regarding the sale of service contracts by Carrier Corporation ("Carrier").
2. The OIC sent an inquiry letter to Carrier in October of 2006 regarding this matter and received a timely reply in which Carrier admitted to selling non-vehicle service contracts without being registered as a Service Contract Provider.
3. In total, from January 1, 1999 through November 27, 2006, Carrier issued 9,367 non-vehicle service contracts to Washington residents, for an aggregate price of \$1,051,477.00, before it became registered as a Service Contract Provider.
4. In February of 2007, Carrier applied for registration as a Service Contract Provider. The registration was issued on March 16, 2007.

Based upon the foregoing Findings of Fact, the Insurance Commissioner makes the following:

**CONCLUSIONS OF LAW:**

1. Carrier violated RCW 48.110.030(1) by engaging in the unregistered sale of service contracts.

2. RCW 48.05.185 authorizes the Insurance Commissioner to impose a fine in lieu of or in addition to the suspension or revocation of an insurer's certificate of authority.

**CONSENT TO ORDER:**

Carrier, acknowledging its duty to comply fully with the laws of the State of Washington, consents to the following in consideration of its desire to resolve this matter without further administrative or judicial proceedings, and the Insurance Commissioner consents to settle the matter in consideration of Carrier's payment of a fine on such terms and conditions as are set forth below:

1. Carrier consents to the entry of the Order and waives further administrative or judicial challenge to the OIC's actions related to the subject matter of the Order;
2. Within thirty days of the entry of this Order, Carrier agrees to pay to the OIC a fine in the amount of \$45,000.00 (Forty-Five Thousand Dollars); and
3. Failure to pay the fine set forth in paragraph two shall constitute grounds for the revocation of Carrier's status as a Registered Service Contract Provider, and in the recovery of the fine through a civil action brought on behalf of the Insurance Commissioner by the Attorney General.

Executed this 4<sup>th</sup> day of September, 2007.

**CARRIER CORPORATION**

By: Jonathan D. Shell

Printed Name: JONATHAN D. Shell

Printed Corporate Title: Assistant General Counsel

NOW, THEREFORE, pursuant to the foregoing Findings of Fact, Conclusions of Law, and Consent to Order, the Insurance Commissioner orders as follows:

**ORDER OF THE INSURANCE COMMISSIONER:**

1. Carrier Corporation is ordered to pay a fine in the amount of \$45,000.00 (Forty-Five Thousand Dollars); and
2. Carrier Corporation's failure to pay the fine within the time limit set forth above shall constitute grounds for the revocation of Carrier's status as a Registered Service Contract Provider, and in the recovery of the fine through a civil action brought on behalf of the Commissioner by the Attorney General.

Executed this 19<sup>th</sup> day of SEPTEMBER, 2007.

**MIKE KREIDLER**  
Insurance Commissioner

By: 

Thomas P. Rowland  
Staff Attorney  
Legal Affairs Division